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Rainfall variability and groundwater availability for irrigation in Sub-Saharan Africa: evidence from the Niayes region of Senegal

Amy Faye¹, Siwa Msangi²

Abstract

Recent research on climate change, within the context of Sub-Saharan Africa, has shown the vulnerability of groundwater resources to climate change and variability. In Senegal, agriculture is among the most important users of groundwater resources, especially in the northern coastal area called ‘Niayes’ where farmers practice irrigated agriculture and use almost exclusively the quarternary sand aquifer for their irrigation needs during the dry season – which is the main growing period. However, in Senegal, irrigated agriculture, particularly that of horticultural crops, mostly grown in the Niayes, has attracted less research attention in terms of studies focused on climate change or variability, compared to staple-growing rainfed regions. In the Niayes region, farmers grow most of Senegal’s horticultural production. Combined with human use of water resources, climate variability may threaten future irrigation water availability in the area.

This paper uses an integrated hydroeconomic model and a rainfall generator to evaluate the impact of rainfall variability on irrigation water availability and simulate its implications on producers’ responses and groundwater management policy measures.

Results show that groundwater availability is diminishing over time, resulting in higher water table depth and smaller water withdrawals by farmers who will tend to decrease the area allocated to crops and favor the higher-valued crops. These trends are accelerated under a drier climate regime. A taxation policy to stabilize the aquifer would induce a reduction of the area under cultivation and have negative implications on revenues. Supply-side measures to enhance recharge may not be technically or financially feasible. This suggests that Senegal needs to develop groundwater management options that favor sustainable use of agricultural water resources without hindering national horticultural production.

Key Words: Agriculture; irrigation; rainfall variability; hydro-economic modeling; groundwater management; Senegal.

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1 INTRODUCTION

2 Ground and surface water resources are vulnerable to climate change and variability as well
3 as extreme events (Kumar, 2012; Booker, 1995; Tanaka *et al.*, 2006; Bates *et al.*, 2008 ; ...). In
4 Sub-Saharan Africa (SSA) groundwater constitutes an important source of consumptive water
5 use in most countries. However, despite its importance and changing climate conditions in the
6 region, there has been historically little interest in analyzing the impact of climate change and/or
7 variability on groundwater availability (Taylor, Koussis and Tindimugaya, 2009). The
8 conference on « Groundwater and climate in Africa »³ held in Kampala (Uganda) in June 2008
9 has been the first one on these issues in Africa (Taylor, Koussis and Tindimugaya, 2009). Since
10 then, there has been a growing number of scientific publications on interactions between
11 groundwater and climate related changes (see Taylor, Koussis and Tindimugaya, 2009; Nyenje
12 and Batelaan, 2009 for examples).

13 Agriculture is one of the biggest users of groundwater resources along with domestic and
14 industrial sectors. However, in SSA, climate related studies on groundwater resources have
15 mostly focused on the resource (see examples in Hughes *et al.*, 2015) and not sufficiently on
16 the implications of climate shocks on agricultural production and producers' responses. Most
17 of the studies have focused on modeling hydrological aspects without an explicit integration of
18 user behavior (e.g. Nyenje and Batelaan, 2009). Indeed, by considering water demand as a fixed
19 amount, hydrological models fail to capture the economic value of water (see Harou *et al.*,
20 2009) and do not fully account for users' response to groundwater availability under climate
21 change and variability. On the other hand, studies focusing on climate impact on agriculture
22 have extensively focused on rainfed agriculture (Roudier *et al.*, 2011; Roudier, 2012; Jalloh *et*
23 *al.*, 2013; Sultan and Gaetani, 2016), mostly due to its widespread practice compared to
24 irrigated agriculture that only constitutes less than 5% of arable land in SSA (Giordano, 2006).
25 They have therefore not sufficiently studied the interactions between climate and irrigated
26 agriculture.

27 This situation is observed in West African countries like Senegal, where, almost all the
28 studies on climate impact on agriculture have been oriented towards staple crops in rainfed
29 regions (P Roudier *et al.*, 2014; Sene, Diop, & Dieng, 2006) with a poor focus on irrigated crops
30 like horticultural ones mostly grown in the coastal area called Niayes that represents one of the
31 two main agroecological zones of irrigated agriculture in Senegal. In the Niayes, farmers almost
32 exclusively use the quaternary sand aquifer for irrigation and are impacted by rainfall variability
33 mainly through groundwater availability as shown by previous climate related studies in the
34 region (Aguiar, Garneau, Lézine, & Maugis, 2010; Dasylyva & Cosandey, 2005). Those
35 hydrological and geographical researches have been interested in how past climate have
36 affected the aquifer and generally point out a negative effect of climate on aquifer recharge and
37 depth (Aguiar *et al.*, 2010; Dasylyva and Cosandey, 2005). However, little effort has been done
38 towards assessing the future impact of rainfall variability on water resources in the area and
39 how changes in physical variables might affect horticultural production, farmers' revenues and
40 their responses as well as the implications for groundwater management.

41 This paper aims at filling this gap by developing an integrated hydroeconomic model
42 (HEM) that allows to analyze the impact of climate variability on irrigation water availability
43 and its implications on production and agricultural water management in the Niayes area of
44 Senegal. The ability of integrated hydroeconomic models to do such analyses has been shown
45 in Western countries (Medellín-Azuara, Howitt and Lund, 2010; Blanco-Gutiérrez, Varela-
46 Ortega and Purkey, 2013; Howitt *et al.*, 2012; Varela-Ortega *et al.*, 2016; Esteve *et al.*, 2015;
47 ...) and some SSA countries (see You and Ringler, 2010; Robinson, Willenbockel and Strzepek,
48 2012 for examples in Ethiopia). In West African countries such as Senegal, to date, there has

³<http://www.gwclim.org/>

49 been no application of HEM to assess climate change or variability impact and adaptation on
50 agricultural water resources despite their suitability for this type of analysis.

51 The objectives of the paper are threefold : (1) to assess the effect of rainfall variability on
52 aquifer levels; (2) to assess the implications on farmers' water extractions and cropping pattern;
53 (3) to analyze different water management instruments, namely, the imposition of a volumetric
54 water tax (demand-side instrument).

55 Our integrated hydroeconomic model is mostly composed of a hydroeconomic component
56 representing aquifer dynamics and groundwater use behavior, a bioeconomic model to derive
57 agricultural water demand reflecting the economic value of water. To this combination, we
58 associate a stochastic annual rainfall generator.

59 In the next section, we present the study area focusing on agricultural activities, the
60 characteristics of the aquifer under study as well as the climate in the region. In section 3, we
61 describe our methodology. Section 4 describes the data we used. Section 5 discusses key results
62 and alternative policy interventions while discussing their implications. In section 6, we discuss
63 the results in light with the body of literature on the issue. Lastly, section 7 concludes the paper
64 and discusses research perspectives for better policy design based on identified limitations of
65 the study.

66 2. AGRICULTURE, GROUNDWATER AND CLIMATE IN THE NIAYES AREA

67 The Niayes area is the coastal zone located in the North-West of Senegal riding between
68 four administrative regions: Dakar, Thiès, Louga and Saint-Louis (see figure 1).

69 Agriculture is the main economic activity with two growing seasons, the rainy season that
70 goes from June to September with a minimum mean annual rainfalls of 138mm and a maximum
71 of 599mm in the period 1970-2011 and the dry season from October to May. Due to low level
72 of annual rainfalls, farmers specialize in irrigated agriculture during the dry season that is the
73 main growing season⁴ during which are grown most of horticultural crops in Senegal. The
74 Niayes is the main production area of horticultural crops with “half to two-thirds of the national
75 production of fresh vegetables” (Fare et al., 2017). Irrigated area covers 10000ha (J. Faye, Ba,
76 Dieye, & Dansoko, 2007) with around 10000 horticultural producers (Ministry of Agriculture
77 and Rural Equipment, 2013). In the Niayes, farmers use the quaternary sand aquifer for
78 irrigation needs, to which they access mostly through private wells (shallow wells, dugwells
79 and increasingly tubewells) by manual or mechanical extraction (with motorized pumps)—
80 (Ministry of Agriculture and Rural Equipment, 2013). There is a small proportion of farmers
81 (less than 3%) in the South of the Niayes that access water through the Senegalese water
82 company (SONES). Therefore, water costs faced by the farmer mostly reflects the cost
83 associated with water extraction which is the energy cost of pumping for farmers using
84 mechanical extraction and investment cost for well construction. More details on agricultural
85 activity in the area can be found in Fare *et al.*, (2017) who did an extensive analysis of the
86 agrarian system in the Niayes.

87 Concerning water resources management, it is under the responsibility of the direction of
88 management and planning of water resources (the DGPRE⁵) embodied in the
89 Ministry of hydraulics and sanitation. To date, very little is known about the agricultural water
90 withdrawals within the Niayes area given that the farmers' private wells are currently neither
91 subject to effective control from the DGPRE nor under any significant regime of community-
92 level water resource management (to the best of our knowledge). However, there does exist a
93 water code designed in 1981 and according to which farmers extracting more than 5m³ of
94 ground water per hour should pay for the water they use up to 12.12Fcfā per cubic meter.

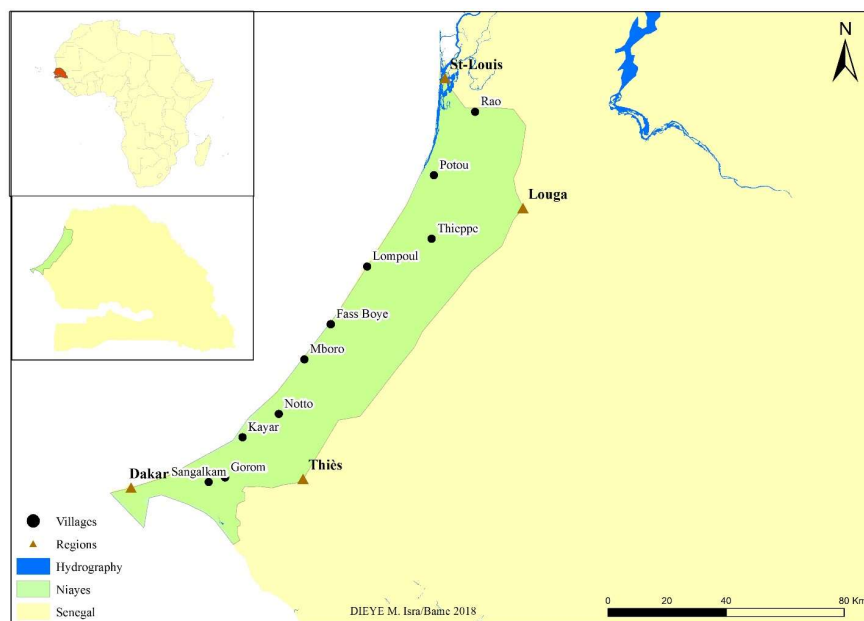
⁴ Due to climate change and variability, the duration of the seasons may be variable.

⁵ Direction de la gestion et de la planification des ressources en eau.

95 However, this pricing scheme has not been revised since 1980s. Therefore, the DGPRES
96 currently undertaking studies to review this water pricing scheme and explore new possibilities
97 of water governance. We hope that this paper will contribute to their pricing analysis, as well
98 as to the larger debate around the appropriate type of water resource management regime to
99 impose on the region.

100 The quaternary sand aquifer is an unconfined aquifer that covers a surface of 2300km²
101 (Aguiar et al., 2010). It is mainly recharged by rainwater infiltration (Aguiar et al., 2010;
102 Dasylya and Cosandey, 2005). However, since the droughts of the 1970s and 1980s, rainfall
103 levels have remained below the levels reached during wet periods (before 1970s). On average,
104 rainfall has decreased from 500 mm in the 1932-1960 decades (Ndong, 1995) to 321.42 mm in
105 the period 1970-1990 and 353.67 mm in the period 1990-2011.

106 Therefore, if warming trends and (more importantly) lower rainfall levels persist, the
107 groundwater recharge may decrease and lead to declines in the available stock of groundwater.
108 This might be exacerbated by growing extractions due to predicted warmer temperatures (Jalloh
109 et al., 2013) in Senegal that will tend to increase the evapotranspiration of crops and, therefore,
110 induce greater demand for irrigation water. In addition, the aquifer is used by other actors like
111 industries, the Senegalese Water Company⁶, the entity that extracts and distributes water to
112 some industries and rural households via boreholes. This raises concerns about irrigation water
113 availability under different climate outcomes and how the agricultural sector can cope with a
114 degrading resource base that is the primary production factor for farmers in the Niayes region.



115
116 **Figure 1: The Niayes area of Senegal**
117 *Source: Realized by Dieye (2018)⁷*

118 **3. AN INTEGRATED HYDROECONOMIC MODEL TO ASSESS GROUNDWATER** 119 **AVAILABILITY AND MANAGEMENT UNDER CLIMATE VARIABILITY**

120
121 There is an extensive literature on the theoretical framework of common pool resources
122 (Burt, 1964, 1966, 1967; Kim et al., 1989; Ostrom, 1990; Koundouri, 2004). This has oriented

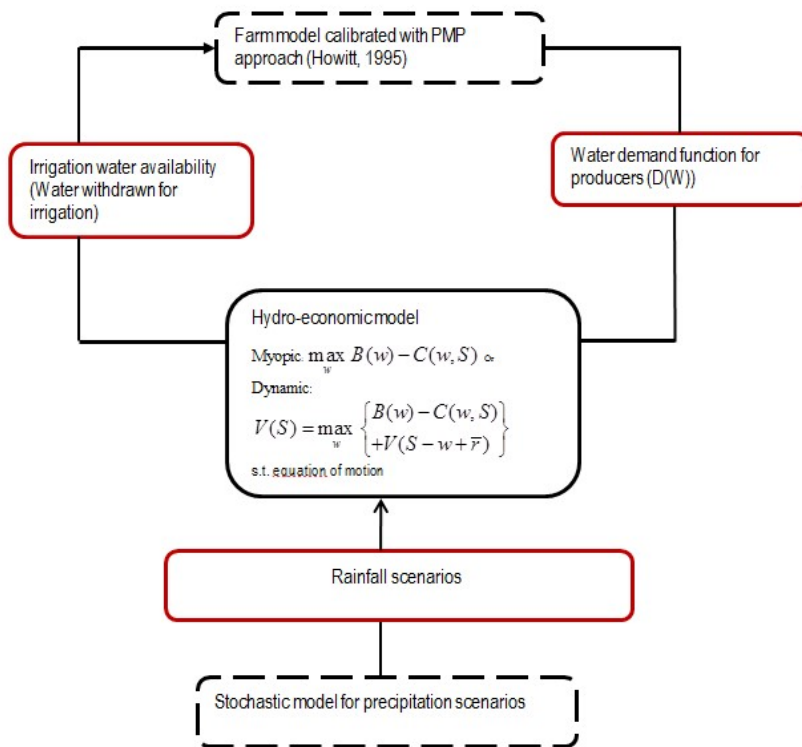
⁶ This usage is applicable to the period during which the primary data was collected (in 2014). However, there may have been changes since then and the company's withdrawals may have diminished over time.

⁷ Dieye is a geographer at the Senegalese Institute of Agricultural Research.

123 our understanding of the basic problem of agricultural groundwater use, before putting it within
124 the specific context of the Niayes region of Senegal. Empirically, economic modeling of
125 groundwater has been mainly done using integrated hydroeconomic models that are extensively
126 reviewed in Harou *et al.* (2009). There is a growing number of empirical studies on water
127 availability under climate change or variability and its implications on agriculture and water
128 management that use integrated hydroeconomic models (Medellín-Azuara, Howitt and Lund,
129 2010; Blanco-Gutiérrez, Varela-Ortega and Purkey, 2013; Howitt *et al.*, 2012; Varela-Ortega
130 *et al.*, 2016; Esteve *et al.*, 2015...). Based on this literature, we tailor the integrated
131 hydroeconomic modeling framework in Msangi and Cline (2016) to our area of study and
132 research objectives.

133 Integrated HEM are of two types: holistic or modular (R. Brouwer & Hofkes, 2008).
134 According to Brouwer and Hofkes (2008), the holistic approach consists of a single, integrated
135 model which allows for direct interaction between components, whereas the modular or
136 compartmentalized approach is comprised of stand-alone components which more loosely
137 interact, with simulation outputs from one component providing the inputs for another one to
138 use. In our case, unlike the holistic approach build in Msangi and Cline (2016), our integrated
139 HEM follows a modular approach (see Brouwer and Hofkes (2008) for more details in modular
140 and holistic approaches and Esteve *et al.*(2015) for an application of modular approaches)
141 which is composed of two stand-alone models: a hydroeconomic model and a bioeconomic
142 farm production model calibrated using the standard PMP approach (Howitt, 1995). These
143 models, implemented in GAMS, are run separately but communicate via variable exchange
144 with output variables from one model being input variables in another model as we will later
145 explain it in detail. To this set of models we associate a stochastic rainfall generator inspired by
146 Safouane *et al.* (2016).

147 The farm production model is run first to obtain the per hectare irrigation water demand that
148 reflects the implicit marginal value of water to the agricultural producer. This water demand
149 function is then transformed into a measure of producer benefit which becomes part of the
150 decision maker's objective criterion within the hydroeconomic model. This latter directly
151 captures the groundwater management decisions and outcomes by combining the economic
152 benefit of water withdrawals (net of pumping costs) and the resulting aquifer dynamics from
153 period-to-period. We can choose between alternative management regimes in which we can, in
154 one case, account for just the immediate costs of pumping groundwater (the myopic case) or,
155 alternatively, we can also take into account the implicit 'social' user cost of groundwater
156 extraction, which captures the externalities a forward-looking decision-maker would consider
157 in a dynamically optimal resource management regime. The simulations from this
158 hydroeconomic model provides us with aggregate levels of water availability and farmers'
159 groundwater use (aquifer level and withdrawals) over time, for the entire irrigated area in the
160 Niayes. Withdrawals are then re-scaled to per ha quantities and fed into the farm model to
161 evaluate the impact of different water availability levels on farmers' net revenue and their
162 responses in terms cropping pattern. Finally, the solution of the (dynamically-optimal) resource
163 problem defines the benchmark for economic efficiency that we will use as a basis for
164 comparing alternative policy measures, in a later sub-section of the paper. The overall
165 framework that we use to capture the key linkages between the different models is captured in
166 Figure 2. In the following sub-sections, we describe the structure of the models and the results
167 from our scenario-based simulations.

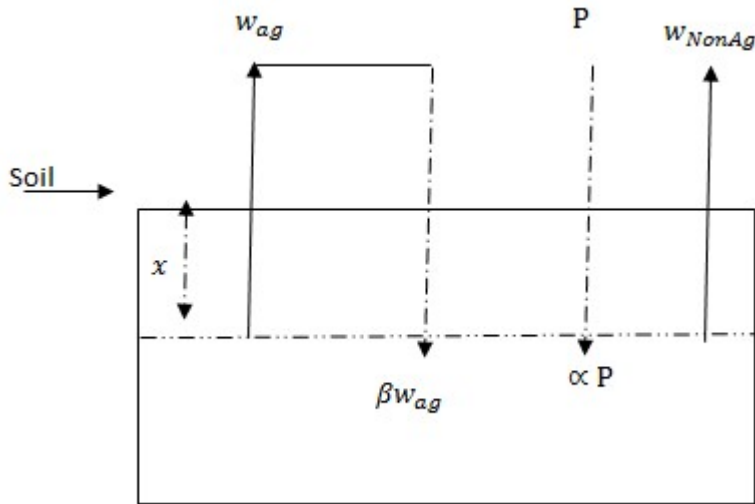


168
 169 **Figure 2: Model integration**
 170 *Source: Authors*

171 **3.1. Hydro-economic modeling framework**

172
 173 **3.1.1. Aquifer dynamics and choice of a single reservoir**

174 In the Niayes area, we noticed spatial heterogeneity for parameters such as the infiltration
 175 rate of rainfalls and the depth of the water table. As in Msangi and Cline (2016), the ideal would
 176 be to divide the aquifer into several interconnected reservoirs to account for that heterogeneity.
 177 However, we do not have the necessary data to estimate the connection coefficients between
 178 sections of the aquifer nor do we have sufficient data on hydrological parameters such as
 179 infiltration rates for the entire area. For this reason, we are constrained to consider the aquifer
 180 as a single reservoir as illustrated in figure 3.



181

182 **Figure 3: Aquifer dynamics**
 183 *Source: Authors*

184 We capture aquifer dynamics by considering inflows (recharge) and outflows (withdrawals
 185 from agricultural and non-agricultural users). Inflows are mainly represented by rainfalls for
 186 which only a share α infiltrates the soil as recharge. Indeed, due to factors such as evaporation,
 187 soil characteristics, vegetation and others, not all the rain that falls goes to the aquifer. In
 188 addition to inflows from rainfalls, we consider inflows from irrigation water applied to crops
 189 which represents a share (β) of farmers' withdrawals (w_{ag}). Therefore an outflow for irrigation
 190 needs of w_{ag} will result in a return to the aquifer of βw_{ag} . However, this return rate is not
 191 available for our area of interest. Therefore, since studies have been undertaken to evaluate the
 192 infiltration rate of rainfall (Gaye, 1990; Faye, 1995; El Faid, 1999; Tine, 2004; Dasyuva and
 193 Cosandey, 2005), we consider that the return to the aquifer β is equal to the infiltration rate α .
 194 Sensitivity analyses are conducted in this paper to see how our results vary according to some
 195 parameters, including the infiltration rate. Apart from agricultural withdrawals, we account for
 196 non-agricultural users' (water company and rural populations through boreholes) water
 197 extractions (w_{NonAg}) for whom we do not consider any return to the aquifer as it is primarily
 198 for potable water supply in urban areas and for domestic water use in rural areas. We consider
 199 non-agricultural withdrawals as exogenous quantities in our model.

200 The equation of motion that describes aquifer dynamics is written as follows:

201

$$x_{t+1} = x_t + \frac{w_{ag} * 10^{-4}}{A s_y} - \frac{\alpha w_{ag} * 10^{-4}}{A s_y} + \frac{1}{A s_y} w_{NonAg} * 10^{-4} - \frac{\alpha P * 10^{-3}}{s_y} \quad (1)$$

202

203 Where x_t and x_{t+1} (in meters) correspond to the aquifer lift in the current and future periods
 204 respectively. A is the area covered by the aquifer. In order to avoid inconsistencies in the units
 205 of the variables, we need to convert volumetric values (w_{ag} and w_{NonAg}) into consistent units
 206 of measure (i.e. meters) according to the following conversion rule: when we apply one
 207 millimeter of water to a surface, it covers $10^{-3} \text{ m}^3/\text{m}^2$ (C. Brouwer, Goffeau, & Heibloem,
 208 1985). This means that each unit of m^3/ha withdrawn from the aquifer leads to an increase of
 209 the aquifer lift of 10^{-4}m . This explains the division of withdrawals by the total area of the aquifer
 210 and the multiplication by 10^{-4} . We also multiply precipitation levels by 10^{-3} in order to convert
 211 millimeters into meters. s_y is the specific yield, a coefficient that allows to account for the
 212 amount of water released from the aquifer (see Johnson (1967) for a formal definition of specific
 213 yield).

214 The economic benefits for groundwater can now be combined with the representation of
 215 aquifer dynamics, to give a complete framework for looking at the impact of (economically-
 216 driven) groundwater extraction on the aquifer underlying the Niayes region. The overall
 217 optimization problem that determines withdrawals over time can be either myopic or forward-
 218 looking in perspective, as we show in the following sub-sections.

220 3.1.2. Myopic optimization

221 As explained in the literature (Gisser & Sánchez, 1980; Griffin, 2006; Knapp & Olson,
 222 1995; Wang & Segarra, 2011), when it comes to economic modeling of groundwater, the
 223 myopic behavior is a situation in which each agent maximizes its own profit to choose the
 224 amount of water he/she withdraws without accounting for the availability of the resource in the
 225 future and regardless of what the other agents will do. The maximization program in equation
 226 (2) displays the myopic behavior in the case of one reservoir at the regional scale (the Niayes
 227 region):

$$229 \text{Max}_{w_{ag,t}} \{[\pi(x_t, w_{ag,t}) = \text{Sirr}B(w_{ag,t}) - C(w_{ag,t}, x_t)]\} \quad (2)$$

230 S.t.

$$231 x_{t+1} = x_t + 10^{-4} \frac{((1-\alpha)w_{ag,t} + w_{NonAg})}{As_y} - \frac{\alpha P_t 10^{-3}}{s_y} \quad (3)$$

232 Where t corresponds to one period that we consider equal to a year. $B(w_{ag,t})$ is the per
 233 hectare benefit from extracting $w_{ag,t}$ of water. *Sirr* is the total irrigated area in the Niayes.

234 The empirically-derived demand for water $D(\lambda_{water})$ -- or, rather, its inverse $\lambda_{water}(w)$ --
 235 is used to obtain the benefit function for groundwater withdrawals (i.e. $B(w) =$
 236 $\int \lambda_{water}(w)dw$). The Lagrange multiplier λ_{water} represents a representative producer's
 237 willingness to pay for one more unit of water which corresponds to the marginal profit resulting
 238 from using one more unit of water.

$$239 C(w_{ag,t}, x_t) = x_t * c * w_{ag,t} \text{ is the extraction cost of } w_{ag,t} \text{ of water} \quad (4)$$

240 c is derived from the first-order condition of the maximization program:

$$241 \partial \pi(x, w) / \partial w = \text{Sirr} * \partial B(w) / \partial w - \partial C(w, x) / \partial w = 0 \rightarrow \text{Sirr} * \mu w^\theta - x * c = 0$$

$$242 c = \text{Sirr} * \mu w^\theta / x \quad (5)$$

244 where μ and θ are respectively the constant and the **elasticity** of the demand function.

245 We do not observe farmers' withdrawals (w_{ag}). To estimate them, we consider the per
 246 hectare water use in the farm model $\sum_j w_j / \sum_j \alpha_j$ (see data section for more information on the
 247 water use data by the representative farm) that we multiply by the total irrigated area in the
 248 Niayes (*Sirr*).

$$249 w_{ag} = \text{Sirr} * \sum_j w_j / \sum_j \alpha_j \implies c = \text{Sirr} * \frac{\mu (\text{Sirr} * \sum_j w_j / \sum_j \alpha_j)^\theta}{x} \quad (6)$$

250

251 3.1.3. Dynamic optimization

252 In this case, the net present value of current and future net benefits from groundwater
 253 extraction are maximized at the regional level as in the following program:
 254

$$V(x) = \text{Max}_{w_{ag,t}} \left\{ \begin{array}{l} \pi(x_t, w_{ag,t}) + \delta V(x_{t+1}) \\ \text{s. t.} \\ x_{t+1} = x_t + 10^{-4} \frac{((1-\alpha)w_{ag,t} + w_{NonAg})}{As_y} - \frac{\alpha P_t * 10^{-3}}{s_y} \end{array} \right\} \quad (7)$$

255
 256 Where, δ is the discount rate. The other terms of this maximization problem have the same
 257 meaning as in the myopic case. To solve this dynamic problem, we use a Chebychev polynomial
 258 to approximate the infinite-horizon, carry-over value function of the Bellman equation (Howitt,
 259 Msangi, Reynaud, & Knapp, 2002; Hubbard & Saglam, n.d.).
 260

261 3.2. The farm model to derive the demand for groundwater

262 Different methods of deriving agricultural water demand exist as describes Graveline
 263 (2016) in his review on water programming models. In summary, econometric and
 264 programming methods are the most used to derive irrigation water demand by agricultural
 265 economists (Graveline, 2016). Econometric methods consist of establishing a relationship
 266 between observed water consumption and data on the perceived cost of water (Bontemps &
 267 Couture, 2002). In our case, we could not get accurate data on producers' water consumption
 268 and, consequently, were compelled to use an alternative approach. Mathematical programming
 269 models capture the water usage behavior of a representative farmer maximizing his profit by
 270 making choices over the optimal combination of productivity-enhancing inputs – which include
 271 water. The profit depends on the cost of inputs and the revenues from production. Those
 272 revenues depend on i) crop yields represented by an explicit production function (Graveline,
 273 2016) depicting the yield response to water, ii) the area allocated to crops and iii) crop prices.
 274 Different types of production functions have been used to represent the yield-water relationship
 275 as summarized in Graveline (2016). In our model, the choice of a production function has been
 276 guided by the calibration process as we will explain later in this sub-section.

277 Our farm model depicts a typical producer that maximizes its profit according to
 278 neoclassical microeconomic theory. In the context of the Niayes, we assume that a
 279 representative horticultural producer maximizes its profit π from horticultural crops⁸ under
 280 resource (land, labor and water) availability constraints as shown in equations 8 to 13.

$$281 \quad \text{Max}_{z_{ij}, w_j, a_j} \{ \pi = \sum_j [a_j (y_j(w_j) * p_j) - (\sum_i z_{ij} * c_{ij})] \} \quad (8)$$

$$282 \quad \sum_j a_j \leq A, \quad (\lambda_{land}) \quad (9)$$

$$284 \quad \sum_j z_{famlabj} \leq totalfamlab, \quad (\lambda_{famlab}) \quad (10)$$

$$285 \quad \sum_j z_{paidlabj} \leq totalpaidlab, \quad (\lambda_{paidlab}) \quad (11)$$

$$286 \quad \sum_j z_{ij} \leq totalinput_i, i \neq (famlabj, paidlabj, w), \quad (\lambda_{inputs}) \quad (12)$$

⁸ Although most small-holder farmers in Senegal are typical of other farm households in developing countries that subsist partially (or wholly) on what they produce on-farm – the horticultural growers in the Niayes are more commercialized and profit-oriented. Therefore we assume separability between the consumption and production decisions in the output market, and focus on the production side of the farmer's problem.

$$\sum_j w_j \leq w_{agt}, \quad (\lambda_{water}) \quad (13)$$

Where, π is the profit of a representative producer ; j represents crops (onion, carrot, cabbage, sweet pepper, eggplant, african eggplant, tomato); a_j represents the area allocated to crop j ; y_j the production function of crop j ; w_j is the amount of water applied to crop j ; p_j is the price of crop j ; i is the index of inputs (mineral and organic fertilizer, pesticides, labor, water); z_{ij} represents the vector of input quantities; c_{ij} is the vector of unit input cost except water. Water cost is accounted for in the hydroeconomic model as we will explain below. \bar{A} , \bar{X} and \bar{W} correspond to the available quantities of key resources used in production.

Equations (9) to (12) represent land availability constraint, family labor constraint, paid labor constraint, other inputs constraint (mineral and organic fertilizer, pesticides). Input constraints are split into labor constraint (10 & 11) and other inputs constraint (12). Constraint 12 would apply to those inputs which are limited at the household/firm-level, such as labor – whereas other inputs can be purchased freely on the market without any explicit rationing. For family labor, it is considered as a resource available to the household which the farm does not pay for. Equation (13) represents a constraint on available water, meaning that applied water depends on available water (\bar{W}) from groundwater resources that correspond to farmers' withdrawals. In Mathematical Programming approaches, water can be explicitly priced (on a volumetric basis) or else provisioned under a quantitative limit or at some extraction cost. The extraction cost of water, integrated in our hydroeconomic model, is the only water-related cost that we account for in the Niayes case as farmers mostly access water through private wells.

We calibrated the model to observed data by using the standard PMP approach of (Howitt, 1995). There is a comprehensive discussion on the standard PMP approach, its limitations and subsequent developments that include supply elasticities in the calibration process in Heckeley and Britz (2005) and Graveline (2016). In our case, the choice of the standard approach is justified by i) the lack of data on supply elasticities for the crops we consider. Concerning the yield function, we calibrated the model with a Mitscherlich-Baule specification as stated in Rosenzweig et al. (1999) who used the Mitscherlich-Baule relationship in the case of two inputs. In this paper, we use it for the single input case, i.e. water:

$$y_a = y_m(1 - \exp^{-\beta_1(\beta_2 + ET_a)}) \quad (14)$$

where y_a and y_m correspond to observed and maximum yields; ET_a corresponds to water applied to crops; β_2 is the soil residual water that we draw from the literature⁹ and β_1 is computed as follows:

$$\beta_1 = -\frac{\ln(1 - y_a/y_m)}{\beta_2 + ET_a} \quad (15)$$

The presence of y_m allows the input-yield relationship to respect the "plateau" feature of Von Liebig (Paris, 1992) – where a 'ceiling' on attainable yield is enforced, in accordance with agronomic reality.

The Lagrangian is written:

$$L = \sum_j [a_j(y_j(w_j) * p_j) - (\sum_i z_{ij} * c_{ij})] - \lambda_{land}(\sum_j a_j - A) - \lambda_{i \neq water}(\sum_j z_{ij} - totalinput_i) - \lambda_{water}(\sum_j w_j - \bar{W}) \quad (16)$$

⁹ See table B2 in the technical appendix.

331
332 First order conditions related to water input is:

$$\partial L / \partial w_j = \alpha_j * p_j * \partial y_j(w_j) / \partial w_j - \lambda_{water} = 0 \quad (17)$$

333
334 To derive the implicit ‘demand’ for water – we successively change the available water
335 (\bar{W}) on the right-hand side of the water constraint, and observe how the shadow value of water
336 (λ_{water}) changes. This is empirically consistent with taking the derivative of the profit function
337 ($\pi(p, c)$) derived from the producer’s profit maximization problem, with respect to the input
338 price of water (c_{water}), in order to derive the input demand function, according to Hotelling’s
339 lemma $D(c_{water}) = -\partial \pi(p, c_{water}) / \partial c_{water}$. Given the fact that water is not priced on the
340 market as other purchased inputs are, and that the value must be derived implicitly from the
341 solution of the constrained producer’s overall optimization problem – our approach provides an
342 empirically tractable way to obtain a demand for water that is consistent with the production
343 technology and behavior that is observed in the data, and captured in our model. As Booker *et*
344 *al.* (2012) describe in their overview of empirical methods for modeling water resource policy,
345 this is a common approach when dealing with inputs not traded on markets, and whose use are
346 observed as the result of management decisions, rather than being observed *ex ante*.

347 The inverse of the demand function in FCFA/ha per m³ is written:

$$\lambda_{water}(w) = 8196.4w^{-0.442}, \text{ so } \mu = 8196.4 \text{ and } \theta = -0.442 \quad (18)$$

350 Therefore the benefit function is obtained as follow:

$$B(w) = \int \lambda_{water}(w)dw \quad B(w) = \frac{\mu}{\theta+1} w^{\theta+1} \quad (19)$$

353 3.3. Simulated scenarios: rainfall scenarios and adaptation scenarios

354 We simulated two categories of scenarios: rainfall variability scenarios and adaptation
355 scenarios. The former are composed of a reference rainfall scenario, a dry rainfall scenario and
356 a wet rainfall scenario. Simulated climate scenarios are integrated into the hydroeconomic
357 model through the equation of motion (1) to capture climate variability effect. Since farmers
358 exclusively irrigate during the dry season using the quaternary sand aquifer, we assume that
359 horticultural production is affected by climate variability through water availability which is
360 captured within the hydroeconomic model. The farm production model captures the response
361 of farmers to changing water availability under climate variability.

362 Adaptation scenarios are composed of i) autonomous adaptation defined by Leary (1999)
363 as initiatives taken by private agents (here farmers) and ii) planned adaptation considered as
364 policy-driven according to Smit et al (2001).

365 Based on these two categories of scenarios, we defined three composite scenarios:

366 a) **A baseline scenario** is composed of water availability (aquifer level) and groundwater use
367 (withdrawals), land use and cropping pattern. This baseline scenario is simulated under the base
368 rainfall scenario.

369 b) **An Autonomous adaptation scenario** that represents farmers’ responses to water availability
370 under climate variability. Farmers’ responses are measured in terms of groundwater use
371 behavior (water withdrawals) and changes in cropping pattern. This autonomous adaptation
372 scenario is simulated in combination with the baseline and planned adaptation scenarios under
373 the dry and wet rainfall scenarios.

374 c) **A planned adaptation** constitutes policy-driven water resources management scenarios. Here
375 we tested an economic-oriented instrument: the introduction of a volumetric tax to motivate a

376 reasonable use of the resource. This planned adaptation scenario is simulated under the base
377 rainfall scenario.

378 In the following sub-sections, we will detail the methods used to build scenarios.

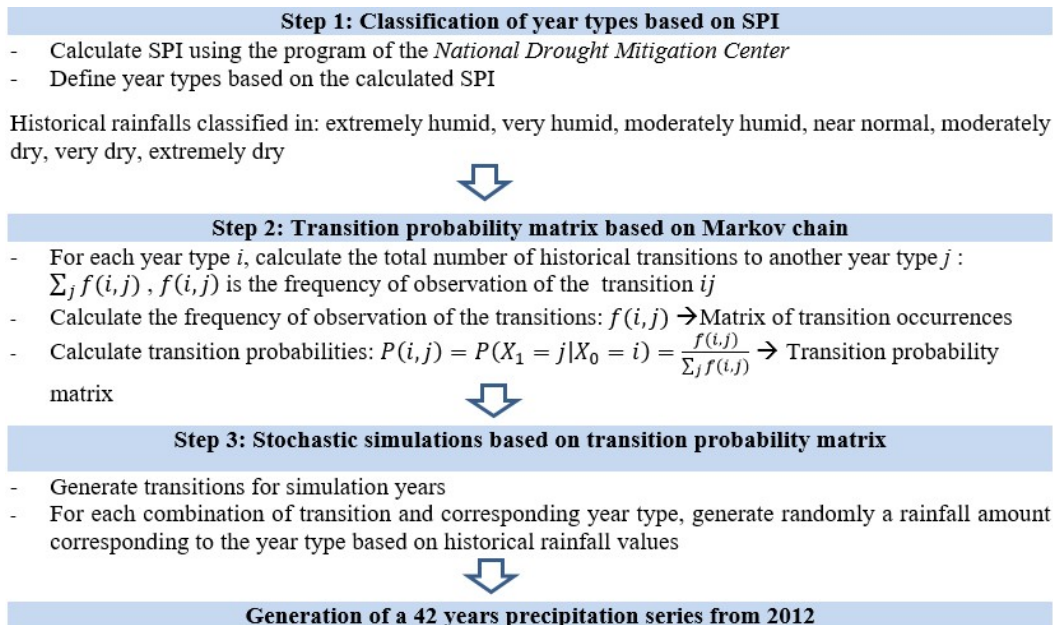
379 3.3.1. Rainfall scenarios

380 Inspired by Safouane *et al.* (2016), we developed a stochastic rainfall generator based on
381 Markov chains by using historical data for the period 1970-2011. Our methodological approach
382 can be declined in three steps as summarized in figure 4.

383 The first step is to classify the year types using the standardized precipitation index (SPI)
384 over 12 months (Mckee, Doesken, & Kleist, 1993) and rainfall data over the period 1970-2011.
385 The advantage of using this index is its simplicity and the fact that it requires only rainfall data.
386 We used the SPI program developed by the National Drought Mitigation Center¹⁰ for
387 calculating the index. According to this index, the years are classified as extremely humid, very
388 humid, moderately humid, close to normal, moderately dry, very dry, extremely dry. The
389 second step consists of calculating the probability transition matrix that reflects the probabilities
390 of moving from one year type to another based on a first order Markov chain. The third step
391 consists of performing stochastic simulations using the probability transition matrix.

392 Three scenarios are simulated over 42 years: i) a reference or base rainfall scenario which
393 transition matrix is derived from historical data; ii) a dry scenario obtained by using the
394 transition matrix of the base scenario with an increase of the transition probabilities of moving
395 to dry years; iii) a wet scenario using the transition matrix of the base scenario with an increase
396 in the transition probabilities of heading towards wet years. Although 42 years of rainfalls were
397 simulated, we only do the analyses over a period of 10 years. Indeed, as suggested by Tanaka
398 *et al.* (2006), long term studies should include changes in other variables such as population
399 change. Simulation results as well as a comparison of statistical properties of simulated
400 reference scenario and historical series are displayed in appendix C.

401



402

403 **Figure 4 : Steps for rainfall scenarios development**

404 *Source: Authors*

405

¹⁰ <http://drought.unl.edu/MonitoringTools/DownloadableSPIProgram.aspx>, accessed in March 2015.

406 3.3.2. *Adaptation scenarios*

407 Autonomous adaptation scenarios are endogenously accounted for in the different models.
408 Indeed, since the models are behavioral, we consider that when a shock is imposed on them,
409 the observed changes reflect farmers' responses to those shocks.

410 As for planned adaptation scenarios, according to economic literature on groundwater
411 management (Griffin, 2006; Msangi & Cline, 2016; OECD, 2015; Ostrom, 1990), there are
412 different policy options (ranging from tax and quota policies to water markets and collective
413 management) to improve water availability in the long run for different users. Those policy
414 options can be undertaken on the demand side (extractions) or on the supply side (recharge) or
415 both of them. On the demand side, we tested, as stated previously, a tax policy on producers'
416 water extractions as they are the main users of the resource and discussed the other cited
417 management options. To estimate the tax, we introduced a tax parameter in the profit function
418 of the hydroeconomic model. We then simulated different levels of taxes until we found the
419 minimal level of volumetric tax from which the resource stabilizes over time. The following
420 equation (20) shows the profit function with the tax τ :

$$421 \pi(x_t, w_{ag,t}) = S_{irr}B(w_{ag,t}) - C(w_{ag,t}, x_t) - \tau w_{ag,t} \quad (20)$$

422
423 As for the supply side measures, we did not test any specific measure. However, we
424 computed the required annual additional recharge to stabilize the aquifer under the baseline
425 scenario. The additional recharge was calculated by adding to the equation of motion (1) a
426 "recharge" term that enables stabilization of the resource over time. We obtain the following
427 equation:

$$428 x_{t+1} = x_t + 10^{-4} \frac{((1-\alpha)w_{ag,t} + w_{NonAg})}{As_y} - \frac{\alpha P_t * 10^{-3}}{s_y} + Recharge_t \quad (21)$$

429
430 The resource stabilizes when:

$$431 x_{t+1} = x_t, \quad \text{for all } t \implies Recharge_t = \frac{\alpha P_t * 10^{-3}}{s_y} - 10^{-4} \frac{((1-\alpha)w_{ag,t} + w_{NonAg})}{As_y} \quad (22)$$

433 4. Data

435 4.1. *Farm model data: sampling, descriptive statistics and justification of the choice a* 436 *representative farm*

437 4.1.1. *Sampling*

438 Farm data was collected on a representative sample of 369 producers in the Niayes area in
439 2014. Producers were selected based on a two-stage stratified random sampling with two
440 sampling units: villages and producers. We first stratified the Niayes area into three sub-areas
441 based on physical differences to ensure that the sample will reflect the distribution of farmers
442 in the south, center and north of the Niayes area. Based on population data of the Niayes from
443 the National Agency of Statistics and Demography for the year 2012, we computed the share
444 of each strata in the total population. Using the sample size that was fixed to 405¹¹ and the
445 previously computed shares, we derived the size of each strata in the sample. We then sampled
446 randomly 27 villages proportionally to the size of the strata. Finally, in each village, we sampled
447 randomly 15 producers.

¹¹ Note that the realities of the field combined with filling errors in the questionnaires brought us back to a database of 369 producers.

448 **4.1.2. Sample characteristics and choice of a representative farm**

449 The data mainly contains information on-farm activities (cultivated crops, inputs quantities
 450 and costs, revenues, labor) during the dry season and off-farm activities. The sample contains
 451 97.29% of men and 2.71% of women with an average size of 2.65 hectares. The total irrigated
 452 area of the sample represents 10% of the total 10,000 hectares irrigated area of the Niayes. The
 453 main activity is irrigated horticultural production with mostly vegetables.

454 In the sample farmers are input-intensive with a broad use of mineral fertilizer (all farmers),
 455 organic fertilizer and pesticides. Labor is composed of family and paid labor that includes
 456 casual laborers and seasonal labor. The latter consists of “sourgas” hired on a seasonal basis
 457 and paid either by profit sharing, monthly or seasonally. Casual laborers constitute an additional
 458 source of labor that producers hire for specific farming operations (often plowing, harvesting
 459 and sometimes sowing). They are paid on a flat rate or daily basis. In this study, we consider
 460 only seasonal labor due to incorrectly measured data on casual labor.

461 As for irrigation, farmers in the sample use the quaternary sand aquifer which they primarily
 462 access through private wells. Other irrigation water sources include access through the water
 463 company (SDE). Farmers using the water company are entirely located in the south of the
 464 Niayes area (in the regions of Dakar and Thiès). Farmers extract water manually or with
 465 motorized pumps. In the case of manual extraction, irrigation is done manually with buckets or
 466 watering cans while in the case of mechanical/motorized extraction, irrigation is manual or
 467 mechanic. In total, only 24% of the sample uses mechanical irrigation technics among which
 468 47% (which corresponds to 11% in the total sample) use drip irrigation, 5.62% use sprinkler
 469 irrigation (which corresponds to 1.5% in the total sample) and other technics that farmers did
 470 not report clearly. Table 1 summarizes the characteristics of the sample.

471 **Table 1: Characteristics of the sample**

	Farm characteristics	Values
Land use	Average cultivated land per farm (hectares)	2.65 (sd 2.7)*
	Cropping pattern (% of farmers cultivating the crop)	Onion (78.32), cabbage (45.26), tomato (41.19), sweet pepper (26), carrot (24.12), african eggplant (22), eggplant (22), pepper (9.49), potato (7.32)
	Share of area per crop over all area	
	Total area of the sample (hectares)	1000
Input and labor	Percent of farmers with family labor (unpaid)	96.48
	Percent of of farmers hiring paid labor (%)	Seasonal labor (66.12), temporary daily labor (59)
	Percent of farmers using inputs (%)	Mineral fertilizer (100), Organic fertilizer (88.88), pesticides (96.47)
Irrigation and extraction technology	Irrigation water sources (% of farms in the sample)	Dug wells (81.84), shallow wells ¹² (5.96), Tube wells (8.94), Water company (1.89), Others (3.52)
	Well lift (meters)	Dug wells (8.04, sd 4.52) shallow wells (2.2, sd 0.70), Tube wells (10.38, sd 3.29)
	Water abstraction mode (% of farms in the sample)	Manual (60.16), Motorized (33.06) with electric or fuel pumps, Mixed (6.78)
	Irrigation technologies (% of farms in the sample)	Drip irrigation (11), sprinkler irrigation (1.5)
Total observations		369

472 *sd: standard deviation

¹² Shallow wells are called « céane » in the Niayes and are considered as traditional shallow wells from which water can be abstracted manually using a bucket without any need to connect it to a rope (Cissé *et al.*, 2001).

473 *Source: Authors calculation*

474

475 Although farms could have different characteristics along the Niayes, the data constraints
476 on physical parameters prevent us from developing different representative farms. Therefore,
477 we mainly consider one representative farm of the Niayes for modeling purposes. For the
478 representative farmer, we only consider crops that are cultivated by more than 10% of the
479 sample (see table 1). As for inputs, for each crop, we only consider inputs that are used by more
480 than 40% to 50% of the sample cultivating that crop. The same reasoning is applied to labor.
481 We could not obtain field-data on irrigation water use for the yield function of the farm model.
482 Therefore, we estimated it by using the Doorenbos and Kassam (1979) yield-water relationship
483 displayed in equation 23:

$$484 \quad (1 - y_a/y_m) = k_y(1 - ET_a/ET_m) \quad (23)$$

485 Where, y_a, y_m, ET_a and ET_m have the same meaning as previously defined for the yield
486 function. Based on this and knowing y_a, y_m and ET_m the quantity of water applied to each crop
487 (ET_a) is obtained as follows :

$$488 \quad ET_a = ET_m * (1 - \frac{y_m - y_a}{y_m * k_y}) \quad (24)$$

489 Tables in appendix B1 indicate details on the data we used for the representative farmer and
490 for the parameters in equation 24.

491 **4.2. Hydro-economic model data**

492 Hydroeconomic model data come from the literature and our own estimations. Data from
493 the literature is mainly data on hydrologic parameters (infiltration rate and specific yields) in
494 the area drawn mostly from doctoral theses undertaken by hydrologists and hydrogeologists
495 (Gaye, 1990; Faye, 1995; El Faïd, 1999; Tine, 2004). Data on groundwater withdrawals from
496 the different agents, i.e. the Senegalese Water Company and rural borehole users, were obtained
497 from the direction of hydraulics of the Ministry of Hydraulics and Sanitation and the Senegalese
498 water company. As for farmers' extractions, as detailed in the methodology section, they were
499 estimated using the estimated farm total water use and first order conditions from the
500 hydroeconomic model in the baseline scenario. Table B3 in appendix B summarizes the
501 parameters and data used for the hydroeconomic model and their sources. Concerning data on
502 aquifer lift, we consider the median value of all well-types lift (see table 2).

503 **Table 2: Aquifer lift data**

Well types	Mean lift	SD*	Median
Dug wells	8.04	4.52	7
shallow wells	2.2	0.70	2
Tube wells	10.38	3.29	12
Ensemble	6.87	2.83	7

504 *SD: standard deviation

505 *Source: Authors calculation*

506

507 **4.3. Rainfall data**

508 We obtained rainfall data from the national meteorological agency of Senegal (ANACIM)
509 for the period 1970 to 2011 for the weather stations located in regions of Dakar, Thiès, Louga
510 and St-Louis.

511

512 **5. RESULTS**

513 In this section we present our results on climate variability impacts and adaptation options
514 on irrigated agriculture in the Niayes region of Senegal. The results are presented for five
515 selected variables: aquifer lift, water withdrawals, land use and cropping pattern, farm income.
516 The results for all these variables in the three defined scenarios (baseline, autonomous and
517 planned adaptation scenarios) are summarized in table 6. Before presenting climate effect
518 results, we found it important to first analyze the difference between the dynamic and myopic
519 cases as we expose it in the following sub-section.

520 **5.1. Comparing dynamic and myopic case results under the baseline scenario**

521 We find that there is a small difference in aquifer levels and water withdrawals when
522 moving from myopic to dynamic optimization cases although water availability is slightly
523 increased in the latter case. Compared to the myopic case, there is only 0.09% average increase
524 in the average cumulative present value of net benefits over the entire simulation period in the
525 dynamic optimization case (from 93,032 thousand Fcfa¹³ in the myopic case to 93,115 thousand
526 Fcfa in the dynamic case).

527 Empirically, this small difference between the myopic and dynamic cases is known as the
528 “Gisser and Sanchez” effect¹⁴ that has been subject to multiple critiques. Koundouri (2004)
529 suggests that this result depends on simplistic model specification and parameters such as the
530 infiltration rate, water demand elasticity. Its controversies were then supported by a number of
531 subsequent studies that have further refined hydro-economic models by taking into account
532 aspects such as environmental damage (e.g. Esteban and Albiac, 2011), by analyzing the
533 functional forms of the cost and net benefit from water extraction (e.g. Tomini, 2014) or by
534 integrating technological progress through endogenous irrigation techniques (Kim, Fuglie,
535 Wallander, & Wechsler, 2015). However, in our case some of the issues raised in those studies
536 could not be integrated due to scarce data that prevented us from integrating ecosystem-level
537 linkages to the groundwater hydrological flows in the Niayes region. Also, we could not
538 endogenize irrigation and water extraction techniques as the data allowing to do so was not
539 contained in the dataset, mostly the costs and benefits that would support farmers’ decision to
540 use such or such technology. The sensitivity analysis that we will perform will help us temper
541 this limitation.

542 Since the difference between the myopic and dynamic cases is not very important, the
543 results will mainly be presented in the myopic case except for the autonomous and planned
544 adaptation scenarios for which, results will be displayed for the dynamic case. The reason for
545 this choice is that since farmers’ water extractions are lower in the dynamic case, we prefer
546 using the latter to explore farmers’ responses in order to avoid any overestimation of simulated
547 adaptation strategies.

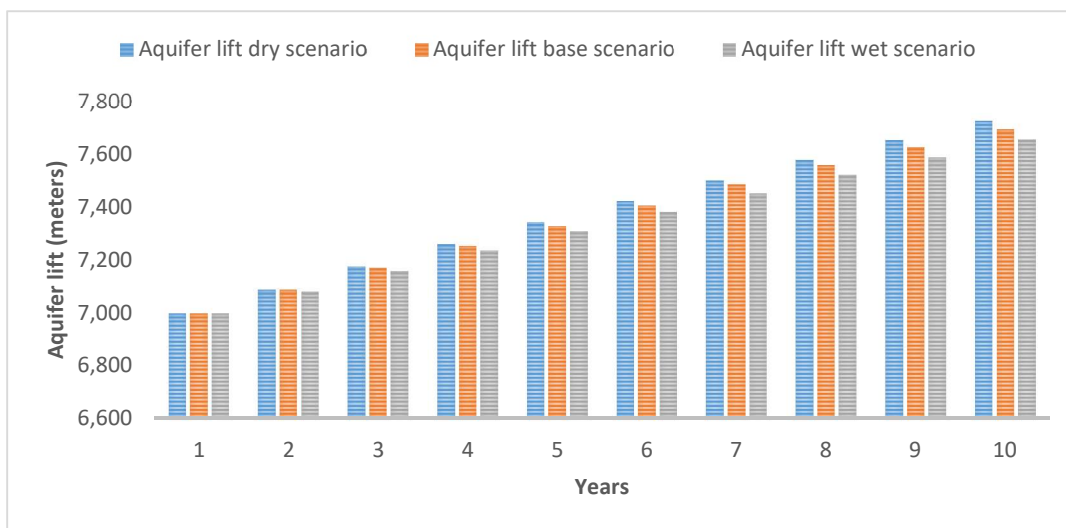
548 **5.2. Impact of climate variability on groundwater availability: aquifer lift**

549 To analyze the effect of rainfall variability on water availability, we compare the aquifer
550 level in the reference rainfall scenario to aquifer levels in alternative rainfall scenarios (dry and
551 wet) for the myopic case. Our results show that the drier the rainfall scenario considered, the

¹³ 1USD≈562 FCFA

¹⁴ The “Gisser-Sanchez” effect refers to the conclusions reached by Gisser and Sanchez (1980) in their study of the Los Pecos basin, in which they stated that the gains to adopting centralized (optimal) management over myopic extraction of the groundwater resource were too small to justify any intervention.

552 greater the aquifer lift over the simulation period. Therefore, in a dry scenario, irrigation water
 553 availability is reduced and that effect is stronger when the drought is more severe. This is better
 554 illustrated in figure 5 that also shows that climate effect exacerbates over the years. Indeed, the
 555 difference in absolute value between the base scenario and alternative scenarios is on average
 556 0.02% in the beginning of the period from reference rainfall scenario to dry scenario
 557 (respectively 0.1% from reference rainfall scenario to wet scenario) and 0.4% at the end of the
 558 period from reference rainfall scenario to dry scenario (respectively 0.5% from reference
 559 rainfall scenario to wet scenario). This suggests that considering a longer period would have
 560 more stressed the effect of climate variability. Furthermore, we also observe an upward trend
 561 in the depth of the aquifer over the 10-year period in the base and alternative rainfall scenarios
 562 with an increase of aquifer depth of approximately 0.73 meters for the dry scenario and 0.66
 563 meters for the wet scenario compared to 0.69 meters for the reference scenario. Thus,
 564 withdrawals seem to exceed the rainfall recharge even with precipitation levels of about 500
 565 mm on average over 10 years. We found that on average 13 millions of cubic meters of annual
 566 recharge (in addition to recharge from rainfalls) is needed to stabilize the aquifer over the
 567 simulation period in the baseline scenario.

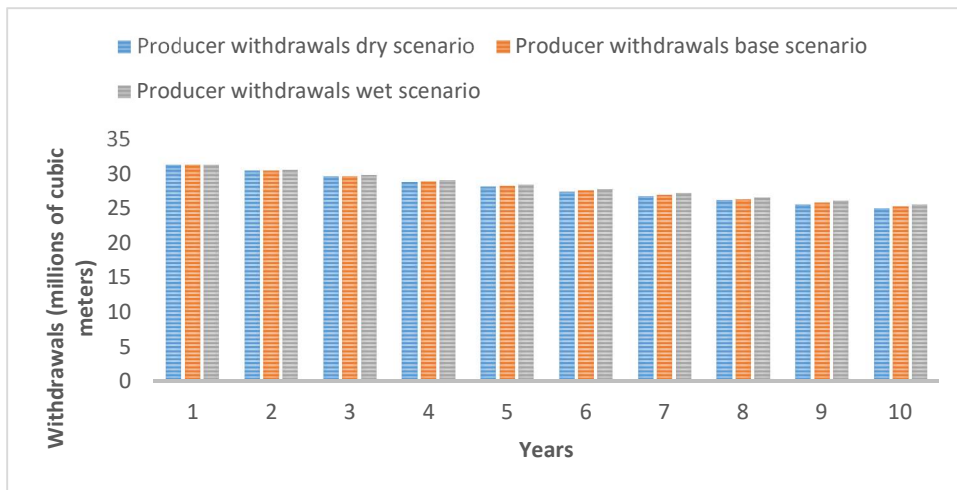


568
 569
 570 **Figure 5: Comparison of aquifer lift under myopic extraction (dry, base and wet scenarios)**

571 *Source: Authors*

572 **5.3. Impact of climate variability and adaptation on water use behavior, cropping pattern**
 573 **and farm income**

574 In the face of decreasing aquifer levels, farmers decrease their water extractions over the
 575 years (see figure 6) with a decrease of 6 millions of cubic meters in the baseline scenario, 6.3
 576 millions of cubic meters in the autonomous adaptation scenario with dry rainfalls and 5.8
 577 millions of cubic meters in the autonomous adaptation scenario with wet rainfalls. As with the
 578 depth of the water table, the difference (in absolute value) between the baseline scenario and
 579 the other scenarios increases over the years, about 0.04% in the first year from the reference
 580 scenario to the dry scenario (0.03% from the reference scenario to the wet scenario) and 1% in
 581 the last year for both scenarios.



582
583 **Figure 6: Comparison of farmers withdrawals under myopic extraction (dry base and wet scenarios)**

584 *Source: Authors*

585
586 Concerning land use and cropping pattern, results show that in general, as the resource gets
587 scarce, it is optimal for famers to decrease the area allocated to crops with slightly larger
588 decreases in the autonomous adaptation scenario under a drier rainfall regime. We find that the
589 area allocated to crops decreases more for crops with greater water requirements and lower net
590 returns like carrot compared to crops with higher net returns (even when they have high water
591 requirements) as shown in table 4. This drop in acreage results in a decrease in net producer
592 income with slight differences between scenarios (see table 6) over the 10-year period.

593 These results suggest that the production of some horticultural crops (mostly low value
594 crops) could be reduced in the long run under climate variability. Therefore, policies should
595 incorporate better governance mechanisms for irrigation water resources to ensure their long-
596 term availability for sustainable horticultural production in the Niayes. They should also
597 investigate the possibility to extend horticultural production in other areas to reduce the pressure
598 on water resources in the Niayes.

599 **5.4. Agricultural water management options: tested planned adaptation**

600 We tried a taxation policy to motivate farmers to preserve the resource by imposing
601 increasingly an ad valorem tax on producers' water withdrawal. Taxes imposed vary between
602 0 (without tax) and 0.14 FCFA per cubic meter withdrawn. We find that the higher the level of
603 the tax, the lower the withdrawals and the lower the aquifer lift. The level of tax required to
604 stabilize the aquifer over time is greater than 0.1 FCFA per cubic meter. However, that would
605 lead to a substantial reduction in farmers' withdrawals compared to the situation without tax.
606 As a consequence, farmers would decrease the area allocated to crops. For some crops more
607 than half of the initial area allocated is reduced as shown in table 4. This leads to a decrease in
608 farmers' income of around 83% as shown in table 6.

609

610

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Table 3: Land use under different levels of water availability and under taxation

Crops	Simulated area (t=1 ¹⁵)	%change area allocation between t=1 and t=10 in dynamic case without taxation			%change area allocation between t=1 and t=10 in dynamic case under taxation (tax=0.1fcf/m ³)	Per hectare net return (x10 ⁵ fcfa/ha)	Water requirements (mm/ha)
		Base scenario (~340,6mm/an)	Dry scenario (~187mm/an)	Wet scenario (~507mm/an)			
Onion	0.73	-18.59	-19.08	-17.84	-67.41	16.69	703.2
Carrot	0.51	-50.67	-51.41	-49.50	-98.10	8.05	1650
Cabbage	0.46	-3.05	-3.12	-2.95	-6.29	11.96	607.2
Sweet pepper	0.27	-5.44	-5.57	-5.25	-11.85	46.32	1201
Eggplant	0.40	-17.76	-18.23	-17.04	-63.55	16.80	1125.8
African eggplant	0.41	-10.42	-10.67	-10.02	-26.20	23.28	1125.8
Tomato	0.46	-2.26	-2.31	-2.18	-4.54	10.15	451.5

Source: Authors

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Imposing such a tax requires having accurate information on the volume of groundwater being pumped by farmers, which is not yet well-documented for the Niayes area. It would also require that the revenue from the tax be redistributed to the farmers being charged in lump-sum, in order to maintain their overall welfare and to keep the policy revenue-neutral. The lack of information on producer's pumping can prevent from imposing the right resource management strategy – including a quota on pumped water. Therefore, the first step towards management should include rigorous measurement of farmers' withdrawals from the aquifer. More importantly, although being theoretically an option to manage groundwater resources, the application of a taxation policy on producers' side can lead – in the long term – to a drastic decrease in horticultural production in the Niayes that supplies more than half of the local market in horticultural products. This would neither be favorable to producers nor in line with political ambitions in the horticultural sub-sector. Consequently, even though the resource should be preserved over time, such a measure should be undertaken only if it allows preserving the resource without offsetting farmers' well-being. One of the venues would be to look for alternative production areas. It might even be better to look more broadly at overall water resource sustainability in Senegal (including surface water resources), and consider ways of sustainably exploiting available surface and groundwater to expand irrigation so that the country's horticultural (and other non-horticultural) production needs can be maintained.

¹⁵ See calibration results in annex B to compare with observed values.

633 **Table 4 : Summary of results for the different scenarios and variables**

	Change in aquifer lift— x —over time (meters)	Change in water withdrawals over time (cubic meters)	Cropping pattern (%area used)							Farm income (FCFA)	Change in farm income (%)	
			0%	10%	20%	30%	40%	50%	60%			70%
Baseline scenario	+0.69	-6 millions	t=1								5.515 millions*	-25.7
			t=10								4.096 millions	
Autonomous adaptation scenario (wet scenario case)	+0.66	-5.8 millions	t=1								5.515 millions	-24.7
			t=10								4.151 millions	
Autonomous adaptation scenario (dry scenario case)	+0.73	-6.3 millions	t=1								5.515 millions	-26.4
			t=10								4.060 millions	
Planned adaptation scenario (tax=0.1fcfa/m³)	+0.003	473.77	t=1								5.515 millions	-83.2
			t=10								925 120	

*Income simulated by the producer model the first year

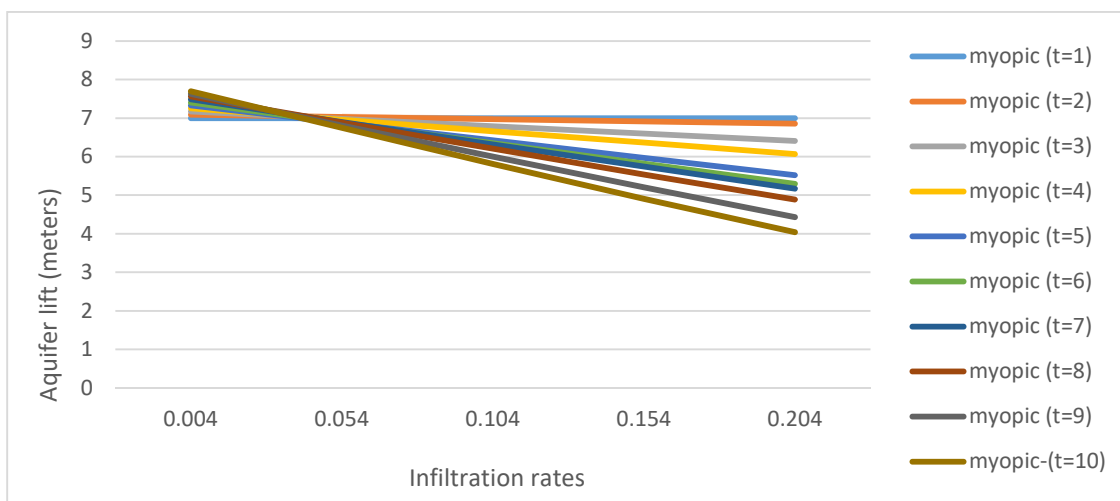
■ Onion ■ Carot ■ Cabbage ■ Sweet pepper ■ Eggplant ■ African eggplant ■ Tomatoo

634 *Source: Authors*

635 **5.5. Sensitivity analysis**

636
637
638 In this section, we conduct a sensitivity analysis on three parameters of the hydroeconomic
639 model: the infiltration rate, the discount factor, the elasticity of the demand function to see how
640 our results on water availability would change as a result of a change in the value of those
641 parameters. To avoid filling the paper with unnecessary figures and tables, for each parameter,
642 we only report the changes we observe.

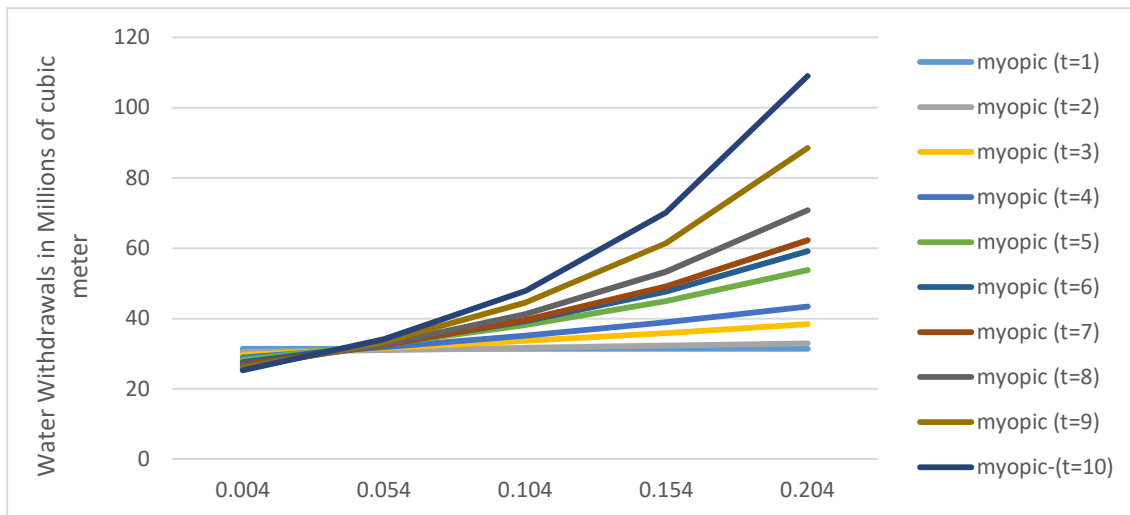
643 Sensitivity analysis on rainwater infiltration rate has been done considering rates between
644 0.4% and 20%. The analysis shows that higher infiltration rates imply a more available resource
645 over time reflected by a lower aquifer lift and higher water withdrawals as shown in figures 7
646 and 8. A higher infiltration rate also induces a higher difference in water availability between
647 wetter and drier situations.



648 **Figure 7: Sensitivity analysis—Aquifer lift under different levels of infiltration rate in the myopic case and baseline**
649 **scenario**

650 *Source: Authors*

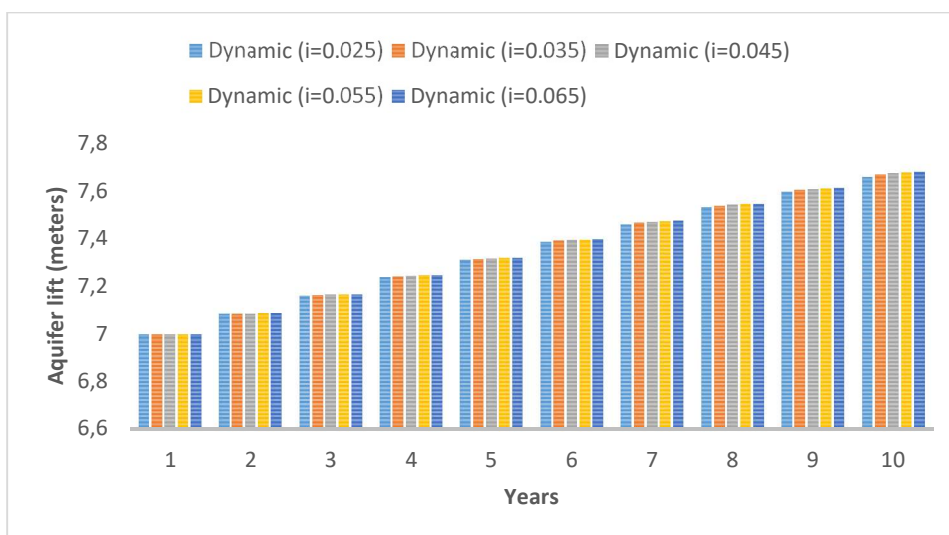
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654
655 **Figure 8: Sensitivity analysis— producer withdrawals under different levels of infiltration rate in the myopic case and**
656 **baseline scenario**

657 *Source: Authors*

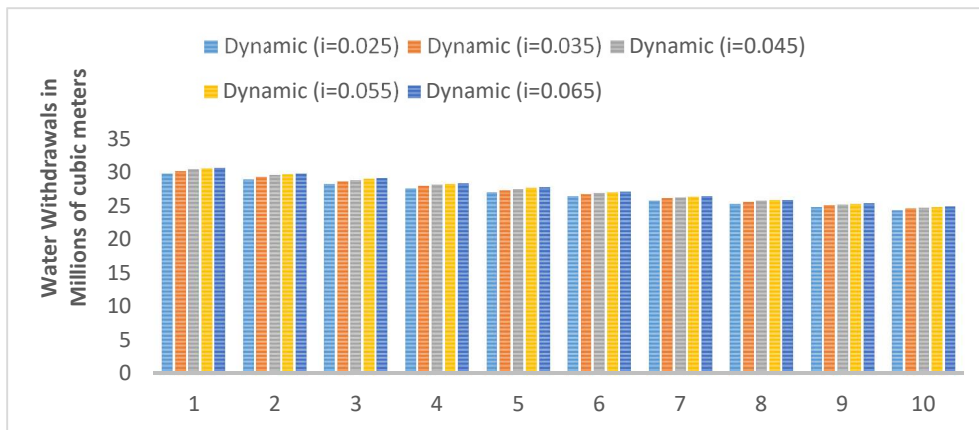
658 As for the discount factor, we run the model with lower interest rates ranging from 6.5% to
659 2.5%; therefore, a higher discount factor ($\frac{1}{1+i}$). It is important to note that the myopic case is
660 not affected by a change in the discount factor due to the fact that the future is not integrated in
661 the myopic problem. We find that, farmers’ water extractions in the dynamic case are smaller
662 in all periods with lower interest rates as shown in figure 13. Thus, the difference between
663 myopic and dynamic cases becomes more important. This can be explained by the fact that the
664 higher the discount factor, the higher the present value of future net revenues. As a result,
665 farmers value the availability of the resource in the future and thus decrease their withdrawals
666 in the dynamic case which improves the availability of the groundwater reflected in a lower
667 aquifer lift with lower interest rates (see figure 9). We further find that changes in the discount
668 factor do not affect significantly the difference in water availability between rainfall scenarios.



669
670 **Figure 9: Sensitivity analysis--Aquifer lift under different levels of interest rate in the myopic case and baseline scenario**

671 *Source: Authors*

672



673
674 **Figure 2: Sensitivity analysis— producer withdrawals under different levels of interest rate in the dynamic case and**
675 **baseline scenario**

676 *Source: Authors*

677 Concerning the elasticity of the demand function, we imposed a lower elasticity of -0.15
678 and a higher elasticity of -0.80. We note that the more the demand is inelastic (the elasticity
679 tends to 0 in absolute value) the greater the difference between the withdrawals in the first and
680 last years (the decreasing trend in water availability remains unchanged) as shown in table 7.

681 **Table 5: Water withdrawals under elastic and inelastic demand**

Years	Water withdrawals with elastic demand (elasticity =-0.8)		Water withdrawals with inelastic demand (elasticity =-0.15)	
	Dynamic (x10 ⁶ m ³)	Myopic (x10 ⁶ m ³)	Dynamic (x10 ⁶ m ³)	Myopic (x10 ⁶ m ³)
1	28.72	31.40	31.38	31.40
2	28.32	30.89	28.81	28.83
3	27.98	30.45	26.81	26.83
4	27.64	30.01	25.06	25.08
5	27.33	29.61	23.65	23.66
6	27.00	29.20	22.28	22.29
7	26.68	28.80	21.05	21.06
8	26.38	28.43	20.02	20.03
9	26.10	28.08	19.16	19.16
10	25.83	27.75	18.37	18.38
Difference	-2.88	-3.65	-13.01	-13.02

682 *Source: Authors*

683
684 Overall, these sensitivity analyzes show that the choice of rainwater infiltration rate is an
685 important element in analyzing the effect of rainfall variability on the availability of
686 groundwater resources for irrigation in the Niayes. Indeed, the higher it is, the more the
687 difference between rainfall scenarios is important. The other elements (discount factor and
688 water demand elasticity) have a greater impact on producers' water withdrawal behavior and so
689 affect the depth of the aquifer; however, they do not affect much the differences in water
690 availability between rainfall scenarios nor the overall trend of results. These results confirm the
691 critiques of simulation-based analyses put forward by Koundouri (2004).

692
693 **6. Discussion**

694
695

6.1. Water availability under climate variability

696 Our results on water availability under climate variability over time is consistent with earlier
697 literature in the Niayes. Aguiar *et al.* (2010) studied the interannual past evolution of the
698 quaternary sand aquifer between 1958 and 2002 and compared the evolution of aquifer levels
699 during wet periods (1958-1970) and during dry periods (from 1972) in some localities of the
700 Niayes. They found that the water table remained high during wet periods and observed the
701 most significant drops in water table during the droughts of the 1970s and 1980s.

702 Concerning the insufficient recharge, Dasyilva and Cosandey (2005) analyzed the water
703 budget of the quaternary sand aquifer in the south of the Niayes (Dakar) under different rainfall
704 scenarios and showed that with a normal or deficit rainfall, the water balance is negative and
705 only becomes positive from excess rainfall averaging 700 mm per year. Thus, they find that
706 recharge from rainfalls is insufficient to ensure effective re-supply of the aquifer when annual
707 precipitations are lower than their levels during wet periods (before 1970). In our case, we find
708 that even in a wet scenario situation (about 507mm), the resource becomes more scarce over
709 time.

710 Regarding the magnitude of the increase of the aquifer lift over the ten years we simulated,
711 Aguiar *et al.* (2010) found that over the period 1958-1994, the water table fell by nearly 0.51
712 meters on average every 10 years. In the same way, our results show that the water table will
713 continue to fall on average of the same amplitude or more depending on rainfall levels over a
714 given 10-years period. This decrease of the water table could have implications on water
715 quality. Indeed, with climate change, it is predicted on the coastal zone of Senegal a sea level
716 rise of 20 cm by 2030 and 80 cm by 2080 compared to a rise of only 3 cm between 1990 and
717 2010 (World Bank, 2014). An average continuous drop in the aquifer level of 0.60 meters
718 (60cm) over 10 years increases the risk of saline intrusion that would be detrimental to
719 horticultural production in the coastal Niayes.

720 Also, increasing aquifer lift can have implications on irrigation technology use. Indeed, as
721 argues Sekhri (2013, 2014) who studied water related issues in some Indian villages, as long as
722 the depth of the groundwater is not greater than 8 meters below ground, water can be extracted
723 using surface pumps. However when the depth is more than 8 meters from the surface, farmers
724 need to use costlier submersible pumps for water extraction.

725

6.2. Farmers response to water availability

727 Results on farmers' autonomous adaptation to decreasing water availability are somehow
728 similar to other results in other contexts. We compare the results with studies in other contexts
729 because adaptation to aquifer availability in the Niayes area has been poorly studied. In India,
730 Sekhri (2013) analyzed the impact of a decline in groundwater and finds that a drop of one
731 meter of the water table over a year causes a drop in production, especially for more water
732 demanding crops. In the same way, in Spain, Esteve *et al.* (2015) used an integrated hydro-
733 economic model for surface water and found that when available water decreases in the face of
734 climate change, producers change their cropping pattern and their income declines. Moreover,
735 Heidecke (2010) showed that (by analyzing survey data) in Morocco, when there is water
736 shortage due to groundwater decline, the main reaction of producers is to reduce the area under
737 cultivation.

738 It should be noted that the only strategies available for producers in our production model
739 are the reduction in area under cultivation and the change in cropping pattern (among crops
740 taken into account). These strategies, included here, assume that when water availability
741 decreases, producers limit themselves to the amount of water available and adapt accordingly.
742 For example a producer who grows one hectare of onion will not continue to cultivate one

743 hectare of onion when available water drops; but will cultivate an area that he/she can irrigate
744 with available water. However, based on our field experiences and literature (Heidecke, 2010;
745 Sekhri, 2014), in addition to strategies related to acreage decrease and changes in cropping
746 pattern, producers can also adopt other strategies that enable them to extract more water by
747 increasing their water pumping capacity and therefore continue to cultivate the same areas (or
748 even more) than before climate shock. For instance, Heidecke (2010) finds that another
749 producers' reaction is to increase the use of the aquifer for irrigation reflected by the increase
750 in the number of motor pumps and the drop in phreatic levels in the years of drought.

751 Currently, our model does not allow for such adaptation strategies that require the adoption
752 of new water extraction technologies which can overestimate the impact on agricultural
753 production. However, these strategies could negatively affect net income because they have
754 implicit costs. This increasing cost will arise either from the increasing energy cost of pumping
755 groundwater from a lower depth and/or from the fact that a falling groundwater table means
756 that additional capital costs might need to be incurred in order to deepen the wells or to install
757 higher capacity pumps to access the water. It is therefore difficult to conclusively state their
758 possible impact on production without additional data on those costs. It should also be
759 remembered that some strategies that improve water access could, in turn, negatively affect the
760 groundwater resource and lead to increased water scarcity over time. Indeed, according to
761 (Berbel, Calatrava, & Garrido, 2007), "Investment in irrigation technologies has ambiguous
762 effects [...]. Negative effects result from the fact that changes in technology may induce new
763 crop patterns and increase total water consumption". Also, integrating technological progress
764 would require allowing the possibility of endogenously adopting new extraction technologies
765 before choosing the amount of water to be extracted (given the chosen technology) which
766 induces a hydroeconomic model with two decision variables (technology adoption and water
767 extraction levels). These methodological limitations will be addressed in future work.

768

769 **6.3. Planned adaptation results**

770 Results on water pricing management strategy can be compared to what has been found in
771 the literature in other contexts. Indeed, (Aidam, 2015) did an analysis of the impact of price
772 mechanisms on the water demand for farmers in Ghana and showed, using the example of large
773 producers, that setting water prices leads to a decrease in the water consumption of producers
774 who reduce the production of high water demanding crops to cultivate crops that require lower
775 water consumption. This negatively affects producers' incomes. Also (Berbel & Gomez-Limon,
776 2000) analyzed the impact of setting water prices in three irrigated areas in Spain. They found
777 that water prices as the only instrument to control water use is not a valid instrument to reduce
778 the demand for agricultural water in a significant way. Indeed, water consumption does not
779 decrease until prices reach a level that significantly reduces producers' income and labor use.
780 They also found that, for the locations considered, when price mechanisms are used to reduce
781 water consumption, a 40% reduction in producers' income is required to drop water demand
782 significantly which leads to a reduction in the number of crops. Finally, when water
783 consumption decreases as a result of substituting high water demanding crops, there will be a
784 decline in the utilization of the labor force at the farm level and at the processing industry level.

785 These results are in line with what we found on taxation impact. However, in our results,
786 the decrease in farmers' income is higher as discussed in the results section.

787 **7. Conclusions and research agenda**

788 This modeling framework is a first step towards a better representation of groundwater use
789 in a context of climate variability and change and multiple usage of the quaternary sand aquifer
790 in the Niayes area of Senegal where irrigated horticulture is the main agricultural activity.

791 Modeling results show that under both myopic and forward-looking cases rainfall
792 variability affects water availability in the Niayes area. In the period 2014-2023, under different
793 rainfall scenarios, we found that the dryer the climate, the lower the groundwater table resulting
794 in farmers reducing their water withdrawals. Results also highlight low net returns gains
795 between myopic and dynamic optimization cases known as the Gisser and Sanchez effect which
796 could be explained here by the structure of the model that treats the groundwater underlying the
797 Niayes region as belonging to one big reservoir, rather than several connected ‘compartments’.
798 Also, we consider non-agricultural users’ withdrawals exogenous which led us to only account
799 for on-farm benefits while there are also off-farm benefits that a social planner would consider.
800 Therefore, further developments should be performed to accurately endogenize non agricultural
801 users’ behavior to see how it affects results. Also, as develops Koundouri (2004), the choice of
802 parameters such as the elasticity of water demand, the infiltration rate is important in model
803 design. Moreover, as suggests Esteban and Albiac (2011), there might exist ecological and
804 environmental aspects that also affect groundwater availability that we are missing within our
805 model specifications. We also found that the resource is being depleted over time, in all climate
806 scenario considered (even though the effect is stronger in dryer scenarios) and whatever the
807 degree of myopia or foresight exercised by the decision-maker. This shows that rainfall
808 recharge does not cover water extractions that mostly come from farmers. Our model shows
809 that an average additional annual recharge of 13 million cubic meters is required to stabilize the
810 aquifer over the 10 years simulation period.

811 We further found that as a response to decreasing resource availability over time, in all the
812 scenarios considered, it is optimal for farmers to decrease the area allocated to crops by the end
813 of the considered period. Greater decreases of area are noted in a drought situation. Also, crops
814 with low returns and high water requirements are subject to greater area decreases. Therefore,
815 resource depletion might lead to significant decrease in irrigated area over time – either due to
816 the effect on pumping costs and accessibility or through the effects of saline intrusion into the
817 aquifer – which would threaten long-term horticultural production sustainability in the Niayes.

818 To ensure sustainability of the resource, we tested a demand-side instrument, i.e. a
819 volumetric tax, as a resource management policy measure and found that the minimal level of
820 tax per cubic meter withdrawn required to stabilize the aquifer over time is 0.1fcfa. However,
821 such a taxation measure would lead to a drastic decrease of farmers’ withdrawals, area allocated
822 to crops and income. Ensuring resource sustainability being as important as meeting demand
823 on horticultural products, a tax on producers’ side should be carefully investigated so as to avoid
824 a drastic decrease in production in the long-run.

825 Different alternative demand options (a quota, water markets, collective action) and supply
826 side measures that we did not test exist. A quota-based policy would lead to the same results (if
827 successfully implemented) as the tax in terms of water extraction decreases. We did not test it
828 – recognizing that, as a tax, it would be difficult to administer in this region. However, it should
829 be noted that a quota may have less negative effects on producers' incomes. In addition,
830 empirical studies have shown that a tax could lead to more reluctance from producers than a
831 quota (Montginoul & Rinaudo, 2009). Concerning water markets, they are feasible when users
832 have well-defined property rights (Griffin, 2006) that they can exchange in a market. This type
833 of solution could also be difficult to generalize in the Niayes context, given the type of
834 management institutions that currently exist, and the absence of efficient mechanisms for the
835 producers to communicate their willingness to buy and sell water. As for the possibility of
836 engaging in the collective management of groundwater, we cannot test it here because it
837 requires taking into account the characteristics and interactions between all the stakeholders

838 and illustrating the bargaining possibilities that might lead to a collectively cooperative
839 outcome. Recent work in India by Meinzen-dick *et al.* (2017) describes the applications of
840 experimental games to explore the willingness to engage in collective action with regards to the
841 groundwater resource, and the effect that increasing awareness of pumping externalities on the
842 part of the players has on this willingness-to-engage. Such an approach would be useful in
843 exploring the potential for organizing such an institutional framework in the context of the
844 Niayes, and will be considered for future work. In the methodological approach chosen here,
845 we treat the institutions as exogenous and focus on the dynamics of depletion and the
846 implications that it has on the agricultural economy.

847 Supply-side measures (like rainwater harvesting for aquifer recharge enhancement) can be
848 alternatives to demand-side measures or complement them. However, the difficulty that can be
849 encountered is related to the high investment costs and their affordability. Most likely, external
850 development aid and lending would have to be mobilized for this kind of scheme, and should
851 be part of the discussions with external donors on Senegal's overall investment strategy for the
852 irrigation sector.

853 Finally, we noted several model limitations that included the non-integration of
854 technological progress (i.e. making irrigation and extraction technologies endogenous), which
855 prevented us from accounting for a broader range of adaptation strategies. However, these are
856 currently being investigated through a mixed-method approach (quantitative and qualitative
857 tools) through the use of forum-theatre that enables us to engage more dialogue with farmers
858 and enhance management options. Nonetheless, the modeling framework and the findings from
859 this study provide a basis for further research on climate impact on irrigation water availability
860 and agricultural water management in West African agriculture.

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 1105

1106 TECHNICAL APPENDIX

- 1107 In this technical appendix, we explain in more detail (for the benefit of the reviewers and the
 1108 interested readers) the specification of several key parts of the analytical framework – namely:
- 1109 a) The method for approximating the infinite-horizon, carry-over value function for the
 1110 dynamic programming problem;
 - 1111 b) Information on the data and the calibration of the farm model;
 - 1112 c) Comparison of simulated and observed rainfalls

1114 A. Complementary methodological material

1115 A1. Approximating the value function

1116
 1117 To estimate the carry-over value function that defines the infinite-horizon dynamic
 1118 programming resource management problem, we employ an approximation technique using an
 1119 n-degree Chebychev polynomial. Such ‘projection methods’ for solving dynamic programming
 1120 problems are described in (Judd, 1998).

1121 There are a number of alternative approaches to numerically approximating the carry-over value
 1122 function $V(x_t)^{16}$ that is used to solve the infinite-horizon DP problem (as described in Judd
 1123 (1998)). In our paper we use a numerical approximation method that uses a n^{th} order Chebychev
 1124 polynomial – which is one of several possible ‘orthogonal polynomial’ approximations that can
 1125 be used (Judd, 1998).

1126 In this approach, the function is evaluated over the domain of possible values that the state
 1127 variable can attain, and is numerically computed at specific ‘nodes’ within the domain – whose
 1128 number define the order of the polynomial approximation. These Chebychev nodes provide the
 1129 points from which the numerical value of carry-over into the next period of the dynamic
 1130 programming problem can be interpolated to cover the entire domain of the value function. The
 1131 number of nodes of approximation can be increased to any desired number in order to improve
 1132 the numerical ‘fit’ of the value function – but at the cost of additional computational burden.
 1133 This is described further in (Howitt *et al.*, 2002).

¹⁶ Hubbard et Saglam (sd.)

1134 — **Chebychev nodes**

1135 For m nodes, the k^{th} node of the Chebychev function is written as: $z_k = -\cos(\pi(2k -$
1136 $1)/2m)$, $k = 1, \dots, m$, $m \geq n + 1$.

1137 z_k falls within the closed interval $[-1, 1]$.

1138 We note that the values of the state variable do not necessarily fall within this restricted interval
1139 – but lie within a more general range of values $[a, b]$ where a and b represent, respectively the
1140 minimum and maximum values of the state variable

1141 The mapping of the nodes of the Chebychev polynomial (x_k) from the interval $[a, b]$ onto the
1142 $[-1, +1]$ domain is done with this relationship :

1143
$$z_k = \frac{2(x_k - a)}{b - a} - 1$$

1144 — **The Chebychev polynomial terms**

1145 After having defined the nodes of the Chebychev polynomial, we then approximate the value
1146 function at defined nodes over the domain of the state variable, with the polynomial function,
1147 which is defined as : $V(x) = \sum_i a_i \Phi_i(x)$

1148 where

1149 a_i is the coefficient of the i^{th} Chebychev polynomial term

1150 the polynomial terms can be written as: $\Phi_n(x) = \cos(n * \cos^{-1}(x))$

1151 Using a recursive scheme, we can write out the terms of the Chebychev polynomial as:

1152 $\Phi_0(x) = 1$

1153 $\Phi_1(x) = x$

1154 $\Phi_3(x) = 2 * x \Phi_2(x) - \Phi_1(x)$

1155 \vdots
1156 $\Phi_n(x) = 2 * x \Phi_{n-1}(x) - \Phi_{n-2}(x)$ for n terms
1157

1158 Over the interval $[-a, b]$, $a_i = \frac{\sum_{k=1}^n V(x_k) \Phi_i(z_k)}{\sum_{k=1}^n \Phi_i(z_k) \Phi_i(z_k)}$

1159
$$V(x) = \sum_i a_i \Phi_i\left(2 \frac{x-a}{b-a} - 1\right)$$

1160 **Value function iteration**

1161 Following this approach, we can solve the Bellman equation of the infinite-horizon dynamic
1162 programming problem by taking the following steps:

1163 i) Give an initial estimate of the carry-over value function that is defined on the right-hand side
1164 of the Bellman equation for the DP problem

1165
1166 ii) Calculate the left-hand side value of the Bellman equation using the mapping relationship
1167 $TV(x_k) = f(x_k, c_k) + \beta \sum_j V(x_k)$ which depends upon the initial 'guess' of the carry over
1168 value $V(x)$ that was done in the first step and the optimal value of the benefit function for the
1169 DP problem. This gives you a new value for $V(x)$ using the contraction mapping $V=TV$ which
1170 is applied to the next iteration, if the convergence of sequential estimates of $V(x)$ to a stable
1171 value has not been achieved.

1172 iii) Verify if the difference $|TV - V| < \epsilon$, where ϵ is sufficiently small

1173 ✓ If yes – then the infinite-horizon value function that defines the Bellman equation has
1174 been found

1175 ✓ If not, then we return to the step ii) and repeat the procedure until the condition described
1176 in iii) has been satisfied

1177 In this approach, we rely upon the "contraction mapping theorem" to guarantee convergence
1178 to a stable value of $V(x)$ for any initial guess.

1179

1180 **B. Information on the data and the calibration of the farm model**

1181

1182 **B1. Farm model data**

Table B1: Farm production model data

		Crops						
		African eggplant	Eggplant	Carrot	Sweet pepper	Tomato	Cabbage	Onion
Cultivated area (ha)	Mean	0.41	0.4	0.58	0.27	0.46	0.46	0.73
	Median	0.25	0.25	0.36	0.25	0.25	0.25	0.5
Yields (kg/ha)	Mean	10833	18045	12105	10010	10478	9948	10566
	Median	7040	16000	9933	6100	6560	7178	9333
Crop prices (Fcfa /kg)	Mean	243.64	117	115.01	489.59	121	148.91	239.31
	Median	200	111.11	101.72	300	97.56	113.2	235
Seeds (kg /ha)	Mean	0.22	0.26527	2.74789	0.19836	0.25559	0.56213	2.21061
	Median	0.250	0.300	3.460	0.200	0.300	0.650	2.614
Seed cost (Fcfa /kg)	Mean	108001	119001	23000	252001	230001	158000	55001
	Median	100000	100000	24000	209000	160000	145001	58000
Mineral fertilizer (urea) (kg /ha)	Mean	278.60	501.67	203.29	266.94	148.05	290.73	191.98
	Median	120.92	248.25	84.96	180.03	109.42	108.51	95.38
Urea cost (Fcfa /kg)	Mean	289.54						
	Median	280						
Mineral fertilizer (10.10.20) (kg /ha)	Mean	355.59	437.1 8	268.46	266.039	207.90	283.74	246.27
	Median	195.28	372.38	118.94	180.03	109.42	108.51	136.26
Unit cost of 10.10.20 (Fcfa /kg)	Mean	273.16						
	Median	250						
Organic fertilizer (kg /ha)	Mean	3267	4003	4399	2044	2776	1744	2394
	Median	1292	1241	1639	1216	1055	1046	1362
Organic fertilizer cost (Fcfa /kg)	Mean	33.67						
	Median	31.10						
Herbicides (l/ha)	Mean	3.66						
	Median	2.72						
Herbicides Cost (Fcfa/l)	Mean	8002						
	Median	8000						
Seasonal labor cost	Mean	138349						

Source: Authors

Table B2 : Additional parameters and data for the farm model

	Parameter	Value	Source
	Soil residual water	100mm	Fall (2012)
Farm model right hand side value of constraints	Total area cultivated (A)	3.31ha	
	Totalfamilylabor	21 person/season	Our data
	Totalpaidlabor	6.21 person/season	Our data

Table B3: Data from literature and research centers to calculate crop water use

Crops	Crop water requirements --ETm (m ³ /ha)	Maximum Yields (y _m)--(kg/ha)	Yield response to water (k _y)
African eggplant	11258	50000	1,37
Eggplant	11258	50000	1,37
Carrot	16500	35000	0,82
Sweet pepper	12010	50000	1,1
Tomato	4515	50000	1,05
Cabbage	6072	40000	0,95
Onion	7032	35000	1,1

Data source: Crop water requirements (from Senegal's Center for the Development of Horticulture (CDH)) ; Maximum yields (from PADEN website¹⁷, we assumed a threshold of 50000 for the remaining crops due to lack of officially updated data). Yield response to water (from Doorenbos and Kassam (1979) for all crops except carrot from Carvalho et al. (2016) and eggplants from Lovelli et al. (2007)).

B2. Calibration results

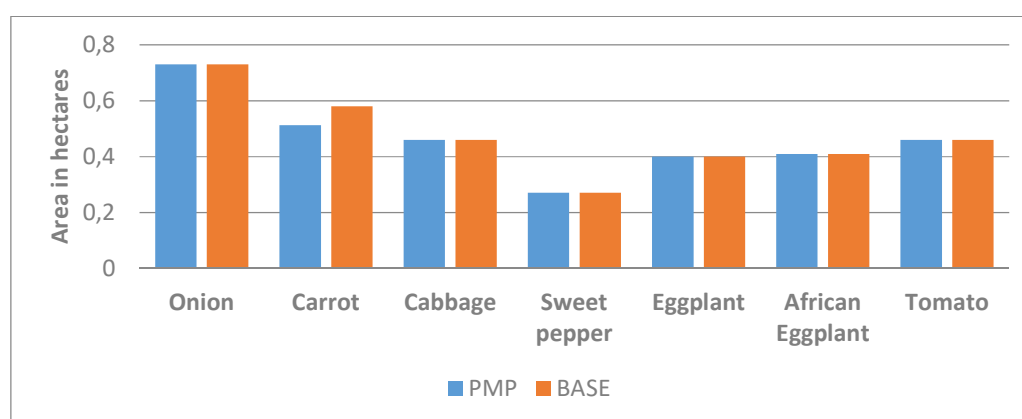


Figure B1: PMP calibration results (area)

Source: Authors

¹⁷ PADEN is a project for the development of the Niayes region. It is a project of the Ministry of Agriculture (2013), see: <http://www.paden-senegal.org>.

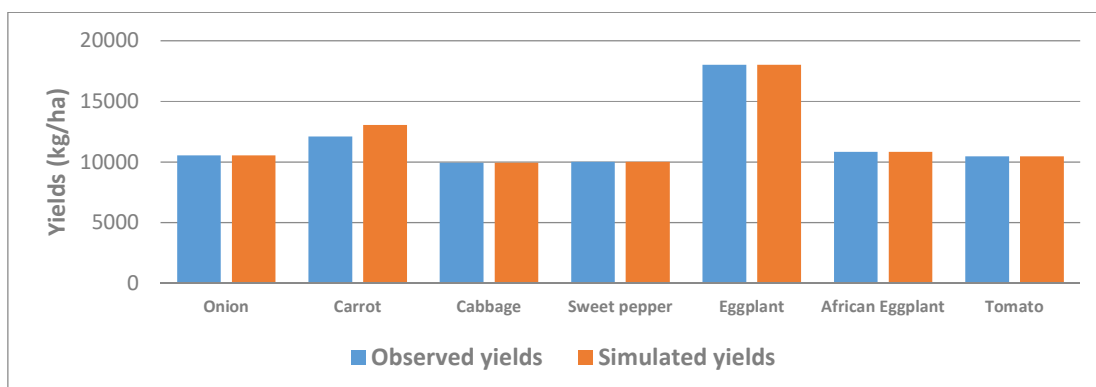


Figure B2: Calibration results (yields)

Source: Authors

B3. Hydroeconomic model data

Table B4: Parameter values for the hydro-economic models

Parameter	Value	Data source
Infiltration rate	0.4%	Tine (2004)
Elasticity of the demand function	-0.442	Our farm model
Constant of the demand function	8196.4	Our farm model
Discount rate	7.5%	CNCAS
Specific yield	0.15	Dasyuva and Cosandey (2005)
Total irrigated area in the Niayes	10000 ha	Faye <i>et al.</i> (2007)
Aquifer lift	7m	Sample data
Water extraction from non-ag (water company and rural boreholes sector)	1374495m ³	Ministry of hydraulics and sanitation and the Senegalese water company
Area covered by the quaternary sand aquifer	2300 km ²	Aguiar <i>et al.</i> (2010)

Source: Authors with data from literature

C. Historical and simulated rainfalls: a comparison

Table C1: Simulated rainfalls

Years	Rainfalls in base scenario (mm)	Rainfalls in dry scenario (mm)	Rainfalls in wet scenario (mm)
1	163.3	209.225	462.35
2	389.325	163.3	569.725
3	318.05	209.225	479.925
4	479.925	209.225	569.725
5	259.85	166.225	471.65
6	192.325	209.225	569.725
7	318.05	163.3	439.975
8	458.95	166.225	569.725
9	439.975	182.725	458.95
10	386.275	192.325	479.925
Mean (mm)	340.6	187.1	507.17
Coefficient of variation	0.322	0.112	0.108

Source: Authors

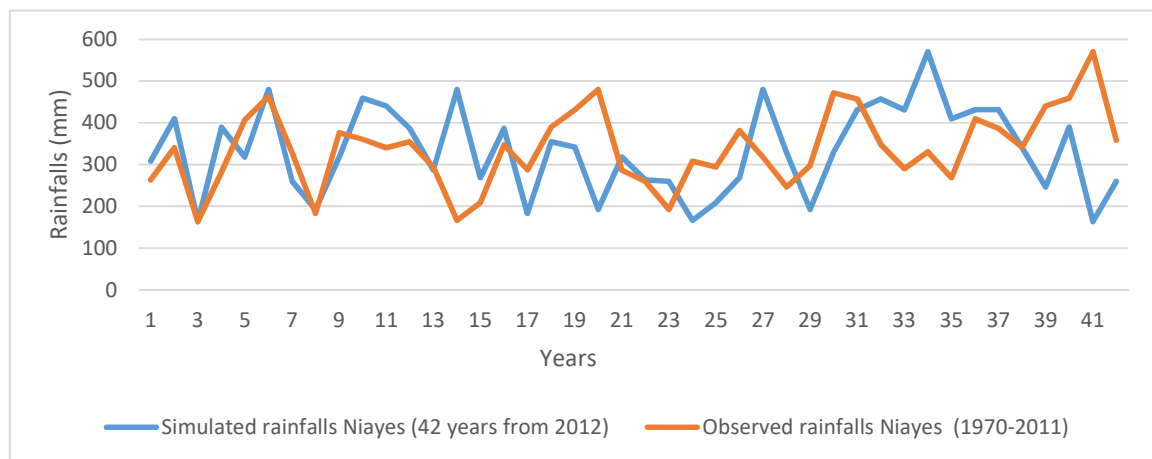


Figure C1: Simulated rainfalls vs. Observed rainfalls

Source: Authors

Table C2: Comparison of statistical characteristics of observed and simulated rainfall series

Rainfall time series	Mean (mm/year)	Coefficient of variation
Simulated rainfalls (42 years from 2012)	333.10	0.31
Observed rainfalls (1970-2011)	337.55	0.27

Source : Authors